

Marylebone & Fitzrovia

UK Residential Research | May 2019

The Marylebone & Fitzrovia area has changed dramatically over the past 20 years. Marylebone High Street has become an eclectic and busy destination of boutique and artisan shops, creating a vibrant village feel in the heart of Central London. Crossrail is also transforming the area. As well as a reconfigured station and enhanced connectivity, new piazzas, public spaces and buildings are altering the character and dynamics of the eastern end of Oxford Street. Tottenham Court Road is also being transformed into a two-way road with cars, lorries and taxis banned during the daytime. On the western fringes of the area, Baker Street and Gloucester Place have also been turned into two-way streets, removing the motorway feel and improving the environment for residents.

Commercial and residential development is playing a central role, bringing a heightened profile of the area and attracting new and exciting retail and office tenants. Meanwhile, large residential developments such as Rathbone Square, along with several smaller, boutique schemes, are providing an array of modern apartments to cater for the area's devoted residents as well as helping to attract a new contingent of Marylebone & Fitzrovia inhabitant.



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Marylebone & Fitzrovia

Sales and lettings markets

The sales market in Marylebone & Fitzrovia is proving robust despite the uncertainty of Brexit. There have only been a few new-build units for sale over the past year but the second-hand market has held firm during this time, despite transaction levels being lower than normal.

New-build pricing can range between £1,800 and £3,500 psf while second-hand properties are typically priced between £1,500 and £2,200 psf.

The lettings market has also been robust over the past year. Transactional activity, however, has been lower than usual since many tenants have opted to remain in their current properties until the Brexit roadmap is clearer. This has also meant fewer properties on the market and reduced tenant choice.

Rents for a one bedroom apartment in Marylebone & Fitzrovia typically range between £550 and £750 pw.

New schemes raise the profile

The new-build market has been quiet over the past year with no new completions of schemes in excess of 25 private units. Prior to this, several new schemes significantly raised the residential profile of Marylebone & Fitzrovia. Notable developments included Rathbone Square (142 units) and Chiltern Place (55 units), which were completed during Q4 2017, and Fitzroy Place (235 units), which was finished in Q1 2016.

A recent scheme which has commanded high prices during the past year has been Marylebone Gardens, where pricing at the 24 unit development has often exceeded £3,000 psf.

There are a number of high -profile schemes under construction that will further promote the area's residential credentials.

Notably, Clivedale London's first foray into Marylebone, and indeed its first residential scheme in London, The Mansion, a 22 private unit scheme, has successfully brought Mayfair standard's and pricing north of Oxford Street. The scheme will complete during Q2 2019.

In addition to this, there are 359 private residential units under construction in schemes of 25 or more private units. The largest development, 101 on Cleveland by Dukelease and Art-Invest Real Estate, will have 88 private units, and will launch in April 2019. The scheme is due to complete in the second half of 2021.

The next largest scheme is CIT's Regent's Crescent which will have 76 private units. Meanwhile, Almacantar also has its Marble Arch development, The Bryanston, underway which, along with Centre Point, bookends the west and east boundaries of Marylebone & Fitzrovia with two schemes asking in excess of £3,000 psf. The next completion of more than 25 units will be Coronado's One Molyneux St. This scheme is now being marketed and should be finished in Q3 2019.

There is one multifamily (purpose-built rental) scheme underway, The Crown Estate's Morley House, which is due to complete in mid-2020. It will be the area's first new multifamily scheme.

Exciting pipeline

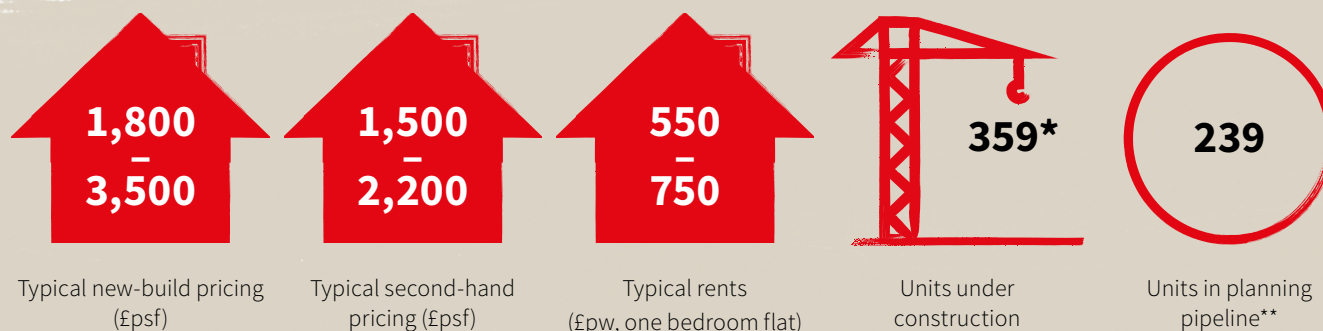
There are only 239 private units in the Marylebone & Fitzrovia planning pipeline, but the quality of the six boutique schemes is exceptional.

The largest development is only 54 private units. Concord London's low-rise Marylebone Square will occupy a large plot that has been the Moxon Street Car Park for more than 50 years. The scheme was launched in late-2018.

In the north- west corner of this submarket, Marylebone Properties has plans for a 48 private unit scheme on Marylebone Road while Derwent London will develop 41 units at 19-35 Baker Street.

There is just one multifamily scheme in the pipeline, a Dorrington development on Marylebone High Street.

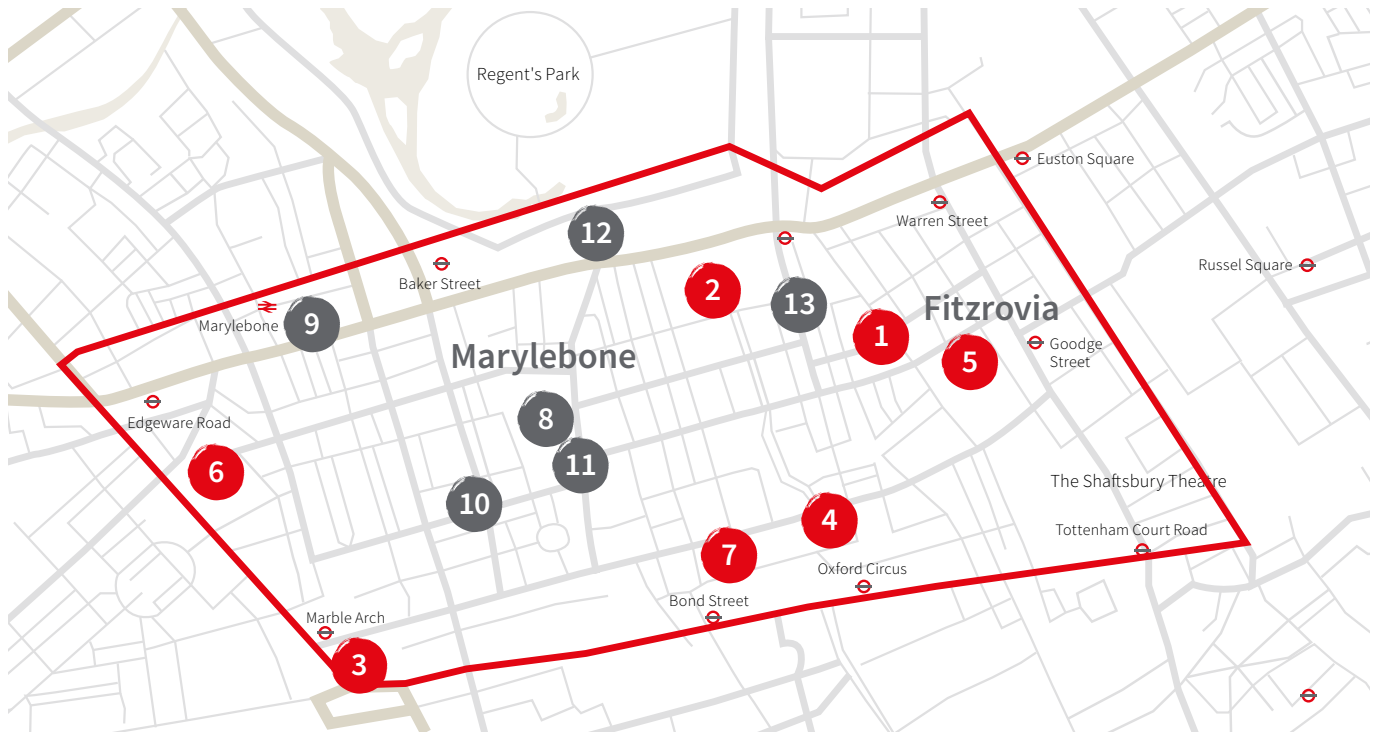
A full list of schemes of 25 or more private units is shown in the accompanying map and table.



*includes 44 multifamily units **includes unbuilt units in existing schemes

Source: JLL, Molior

Key developments



● Under construction ● In planning

| Map ref | Scheme | Developer | Private units | Status |
|---------|--------------------------------|--------------------------------------|---------------|-------------------------------------|
| 1 | 101 on Cleveland | Dukelease and Art-Invest Real Estate | 88 | Under construction, not launched |
| 2 | Regent's Crescent | CIT | 76 | Under construction, for sale |
| 3 | The Bryanston | Almacantar | 54 | Under construction |
| 4 | Morley House | The Crown Estate | 44 | Under construction, all multifamily |
| 5 | Asta House | Derwent London | 40 | Under construction, not launched |
| 6 | One Molyneux St. | Coronado | 32 | Under construction, not launched |
| 7 | Harcourt House | Centreland | 25 | Under construction, not launched |
| 8 | Marylebone Square | Concord London | 54 | Permission, for sale |
| 9 | 206-216 Marylebone Road | Marylebone Properties | 48 | Permission |
| 10 | 19-35 Baker Street | Derwent London | 41 | Permission |
| 11 | 111-117 Marylebone High Street | Dorrington | 31 | Permission, all multifamily |
| 12 | 1-18 York Terrace East | Westbourne Capital Partners | 28 | Permission |
| 13 | 204 Great Portland Street | Gildredge | 37 | Application |

Source: JLL, Molior. Data correct as at April 2019. Schemes of 25 or more private units.

Outlook

The Marylebone & Fitzrovia area is undergoing transformational change. Crossrail is the current catalyst, facilitating and inspiring new public spaces, superior connectivity, improved infrastructure and new buildings.

The streetscape, and a new contingent of retailers has significantly improved the eastern end of Oxford Street, but there is still a little way to go before everything is

finished, including the delayed opening of Crossrail itself.

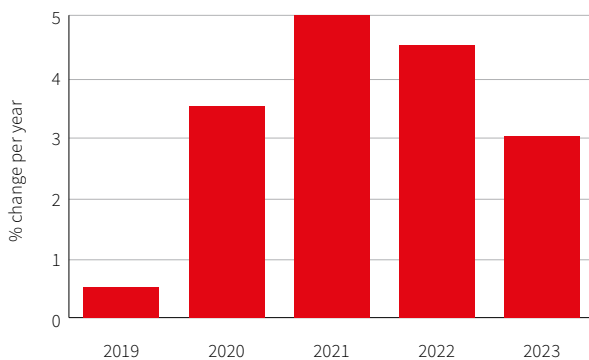
A crop of new residential developments currently under construction, as well as an exciting pipeline of schemes, will further invigorate the central parts of Marylebone & Fitzrovia over the next few years.

The outlook for sales prices and rents will be heavily dependent on the Brexit outcome and roadmap. The latest

extension to the UK's exit will mean a prolonged period of uncertainty.

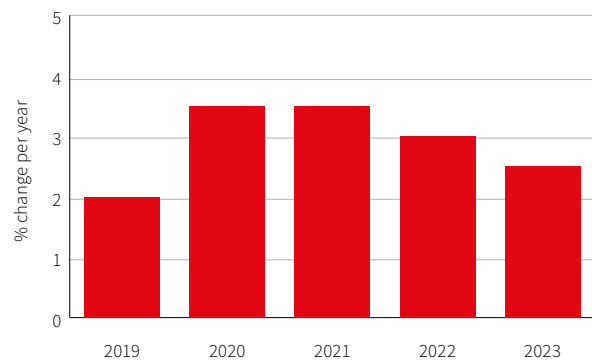
However, assuming a positive outcome for the UK, we expect the sales and lettings markets to pick up in terms of transactions and pricing once a firm decision has been reached.

Price growth forecast to accelerate



Source: JLL

Rental growth will be boosted by Crossrail effect



Source: JLL

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